

Public Service Secretariat

Annual Report 2006-07

Table of Contents

MESSAGE FROM THE MINISTER.....	2
OVERVIEW OF THE PUBLIC SERVICE SECRETARIAT	3
SHARED COMMITMENTS.....	7
DIVISIONAL HIGHLIGHTS AND ACCOMPLISHMENTS.....	8
REVIEW OF 2006-07 GOALS AND OBJECTIVES.....	10
OPPORTUNITIES AND CHALLENGES.....	13
FINANCIAL STATEMENTS	14

Message from the Minister

Public Service Secretariat
Executive Council
East Block, Confederation Building

Honourable Roger Fitzgerald, M.H.A.
Speaker of the House of Assembly
East Block, Confederation Building

February 29, 2008

Dear Mr. Speaker,



As President of Treasury Board and on behalf of the Public Service Secretariat, I am pleased to present the accompanying annual report for fiscal year 2006-07.

In 2005, the Secretariat assumed the human resource functions previously served by the former Treasury Board Secretariat. A number of changes and initiatives have taken place over the last two years and I am encouraged by the steady progress being made as we work to increase Government's capacity and ability for strategic human resource management.

Over the last year, the Secretariat has collaborated extensively with, and provided support to, all departments and agencies within the Core Public Service. Additionally, the Secretariat has been engaged with inter-jurisdictional groups that are conducting research on the emerging issues of employee engagement and human resource metrics. All of these efforts support Government's human resource management strategy, which is focused on balancing organizational and employee needs to ensure excellence in the delivery of programs and services to the public.

As the department head responsible for the results contained within this report, my deepest thanks go out to all of the Secretariat's employees for their commitment, professionalism and dedication in the workplace.

Sincerely,

Thomas W. Marshall, Q.C.
Minister of Finance
President of Treasury Board

Overview of the Public Service Secretariat

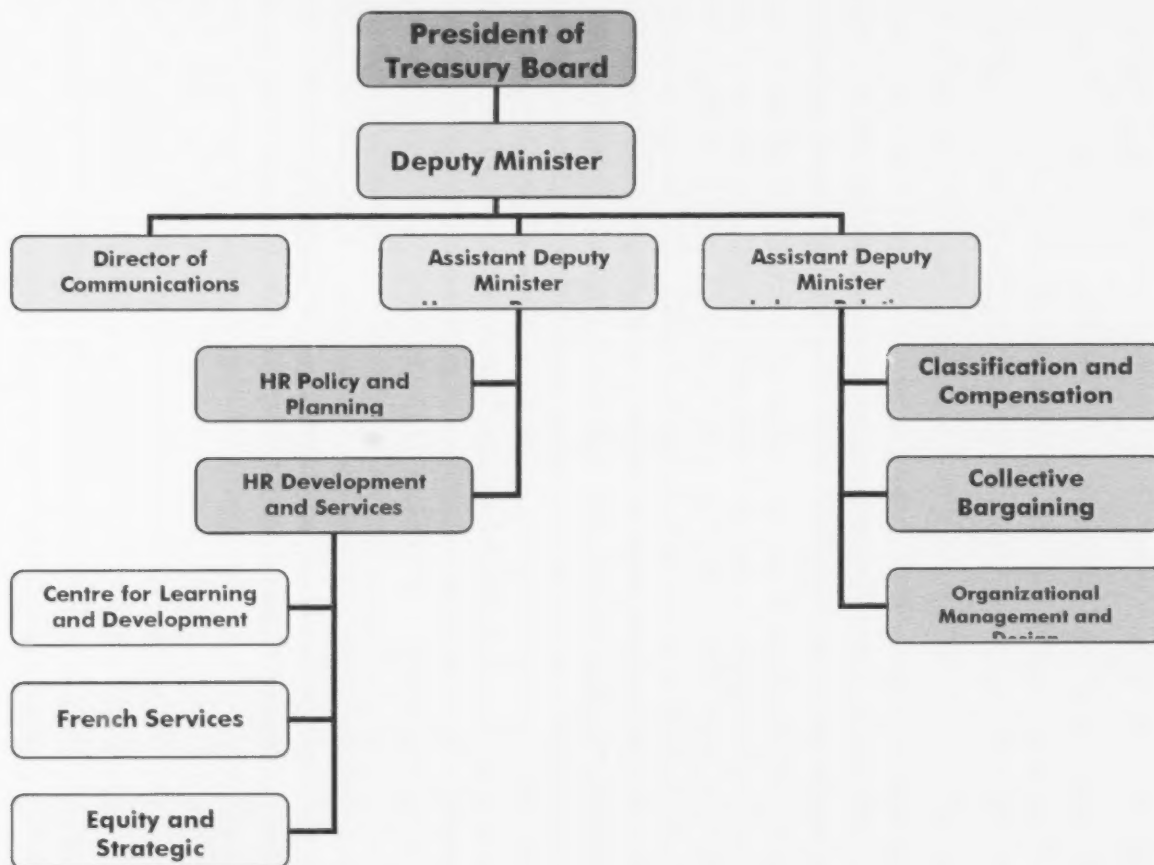
Vision

Exceptional people. Exceptional public service.

Mission

By 2011, the Public Service Secretariat (PSS) will have provided leadership in the development of a series of strategies aimed at creating and enhancing the human resource (HR) capacity to deliver exceptional programs and services.

Organizational Structure



Mandate

The PSS was created in May of 2005 to assume the HR functions previously served by the former Treasury Board Secretariat. The Treasury Board Committee of Cabinet, which is supported by the PSS, continues to carry out its responsibilities for HR management conferred under the *Financial Administration Act* and the *Public Service Collective Bargaining Act*.

The *Financial Administration Act* specifically identifies the following HR responsibilities for the Treasury Board Committee of Cabinet:

- Determine personnel requirements and provide for the allocation and effective utilization of personnel;
- Provide for the classification of positions;
- Determine the pay to which employees are entitled for services rendered, the hours of work and leave of those persons, and other related matters;
- Establish standards of discipline in the public service and prescribe the penalties that may be applied for breaches of discipline; and
- Provide for other matters, including terms and conditions of employment, that the Board considers necessary for effective personnel management.

Labour legislation, such as the *Public Service Collective Bargaining Act*, confers responsibility for collective bargaining in most of the public service to the President of Treasury Board.

The *Executive Council Act and Regulations* provides authority to the Lieutenant-Governor in Council to create departments and Committees of Cabinet, as well as appoint appropriate ministers and executives within departments. This *Act* also identifies some ministerial powers.

Lines of Business

Given the broad scope and nature of Government's HR function, the PSS tackles multiple lines of business. Generally speaking, the PSS endeavours to provide:

- Effective management of HR policies, programs and services; and
- Leadership in the initiation and development of HR practices and services that support the overall effectiveness of Government.

Specific lines of business include:

1. Classification and Compensation

Responsible for job evaluation and salary management services across the public sector, the Classification and Compensation Division works to establish fair, equitable and consistent compensation for all employees.

2. Collective Bargaining

The Collective Bargaining Division provides labour relations advice and services to public sector organizations with the goal of creating and maintaining a labour relations environment that balances the needs of employees with those of the organization.

3. Equity and Strategic Initiatives

The mandate of the Office of Equity and Strategic Initiatives is to increase the representation of persons with disabilities in the public service. Offering a number of programs and services, the Office provides information, advice and training to promote its mandate.

4. French Services

The Office of French Services supports the planning and delivery of quality, French-language services by working with departments and agencies. The Office also supports initiatives aimed at the development of the Francophone community.

5. HR Policy and Planning

The HR Policy and Planning Division works to increase and improve Government's capacity for strategic human resource management. The Division provides leadership in the development, interpretation and review of HR policies; government-wide HR planning; disability management; HR management information systems; and HR research.

6. Learning and Development

Focusing on organizational effectiveness, the Centre for Learning and Development collaborates extensively with departments and agencies to develop and provide learning, development and training opportunities to employees in the public service.

7. Organizational Management and Design

The Organizational Management and Design Division evaluates organizational structures and operational processes to help streamline the delivery of existing programs and services to the public. The Division also supports efforts related to workforce planning and change management.

Physical Location of Divisions

During this reporting period, the PSS had offices located in both blocks of the Confederation Building in St. John's.

West Block: Office of Equity and Strategic Initiatives, Office of French Services, Centre for Learning and Development.

East Block: Classification and Compensation Division, Collective Bargaining Division, HR Policy and Planning Division, Organizational Management and Design Division.

Other Key Statistics

The 2006-07 Budget Estimates projected \$12,672,700 in gross expenditures and \$941,200 in revenues for the PSS.

Number of Employees

See Figures 1 and 2. In 2006-07, the PSS had an average of 67 employees¹. Likewise, the Secretariat was composed of an average of 34 males and 33 females over the course of the year.

Figure 1. Number of Employees by Month in 2006-07

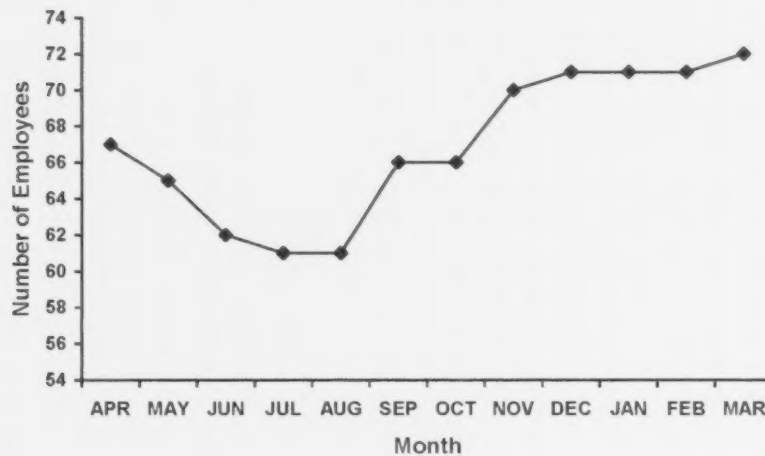
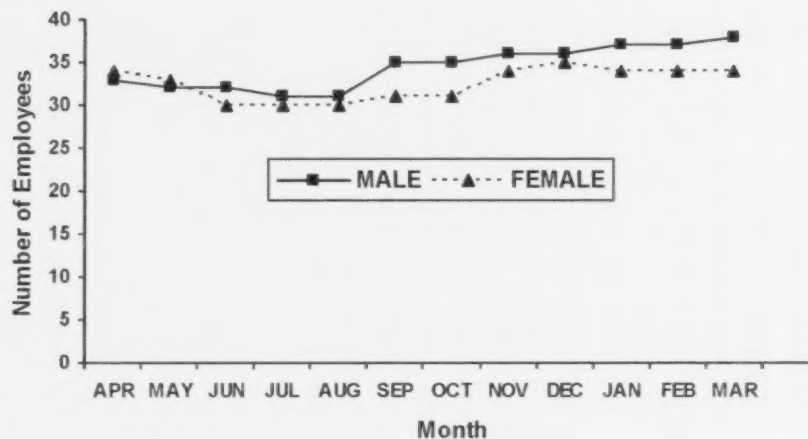


Figure 2. Number of Employees by Month and Sex in 2006-07



¹ Averages were calculated using monthly data collected during 2006-07 (as depicted in the figures).

Shared Commitments

The PSS and its Divisions shared a number of commitments with a variety of stakeholders within and outside of Government. In addition to its continual partnership with Government's HR community, the PSS has also been involved in the following shared commitments:

- The Human Capital Management System (HCMS) is a comprehensive project aimed at supporting the new HR model and Financial Services/Payroll Processing strategy via a single, integrated information system involving all departments. To ensure that this system would meet operational and strategic needs, the Office of the Chief Information Officer (OCIO) consulted with relevant stakeholders. The PSS met with the OCIO to discuss the requirements for the HR component of the HCMS. Over the course of several in-depth consultations, the majority of PSS Divisions identified the information requirements necessary for current and future HR operations.
- The Office of Equity and Strategic Initiatives continued to support its federal and provincial partnerships with respect to the Canada/Newfoundland and Labrador Labour Market Development Agreement (LMDA) and the Labour Market Agreement for Persons with Disabilities (LMA PD). These initiatives are focused on enhancing the employability of persons with disabilities, as well as increasing the number of employment opportunities for these individuals. In addition, these efforts will also help support the Office's commitment to Government's Poverty Reduction Strategy.
- The Classification and Compensation Division continued its participation with the Atlantic Benchmark Committee. This Committee is a partnership between the Atlantic Provinces and its work, thus far, has resulted in a database containing comparative compensation information on specific bargaining-unit jobs in the public service.
- The HR Policy and Planning Division was engaged with two inter-jurisdictional groups that have started to develop national benchmarks in the areas of employee engagement and HR metrics. The Employee Engagement Inter-Jurisdictional Initiative Team established 19 questionnaire items that help participating members examine specific attributes of employee engagement, as well as the relationships between factors that affect engagement. The Inter-Jurisdictional Measures/Metrics Working Group has proposed a set of common metrics to enable comparison of organizational practices and demographics across jurisdictions.
- The Office of French Services signed a three-year agreement with the federal government to support the planning and delivery of quality, French-language services for the Francophone community of the province. In 2006-07, the agreement had a 63% federal / 37% provincial cost-sharing arrangement and primary activities carried out under the agreement included training, translation, linguistic support and liaison services. One objective of the agreement was to increase the capacity within departments and agencies to provide bilingual programs and services.

- The Office of French Services also worked extensively with the Department of Human Resources, Labour and Employment (HRLE) on Government's Immigration Strategy by providing advice on the needs of French-speaking immigrants, as well as translating the strategy into French for public distribution. Other initiatives included the following:
 - Collaborating with other jurisdictions to develop a strategic document that addressed Francophone issues and challenges;
 - Consulting with federal/provincial justice officials about the inclusion of a Francophone clause in child support agreements;
 - Working with Health and Community Services (HCS) to address the need for French-language services in early childhood and primary health care; and
 - Providing linguistic support to employees of the Eastern Regional Integrated Health Authority.

Divisional Highlights and Accomplishments

Classification and Compensation Division

The Division was able to complete 986 classification reviews - during the course of the year, 984 requests for review were received in addition to 162 requests carried over from the previous fiscal year. In 2006-07, the Division conducted a national compensation review with other provinces on a selected group of classifications.

Collective Bargaining Division

The Division achieved the following during the fiscal year:

- Settled 95 grievances and two human rights complaints;
- Completed 25 arbitration hearings;
- Concluded six collective agreements; and
- Negotiated six "Memoranda of Understanding", which contributed almost one billion dollars into the Public Service Pension Plan.

Office of Equity and Strategic Initiatives

The Office received both federal and provincial financial support through the LMDA, as well as the LMAPD. In 2006-07, the Office was successful in providing the following:

- Comprehensive job search and career counseling services to 1,061 persons with disabilities who were voluntarily listed in the Office's Client Registry System;
- Full-time, permanent positions to 75 people who participated in the Opening Doors Program;
- Developmental job placements to 25 people via the Targeted Wage Subsidy initiative;
- Career-related work experience in the public service to 29 post-secondary students who took part in the Student Summer Employment Program;
- Referrals for 27 individuals who competed in external federal job competitions; and
- Disability management training to 178 provincial managers to support the needs of persons with disabilities in the workplace.

Office of French Services

The Office fulfilled its mandate in 2006-07 by:

- Completing 240 translation requests;
- Completing 121 requests for linguistic support to departments and agencies; and
- Promoting bilingualism via the French Language Training Program through which 139 provincial and federal employees completed training.

HR Policy and Planning Division

Throughout 2006-07, the Division provided daily interpretive consultations to departments, agencies and commissions on a diverse range of HR policies. In addition, improvements to current HR policies resulted from the following:

- Environmental scans and consultations to identify new policy issues;
- Tracking of policy enquiries;
- Systematic reviews of existing policies; and
- Integrating various levels of analysis in the development of policies (e.g., rural- and gender-based analysis, work planning, etc.).

The Division also provided extensive support to departments and agencies during the workforce planning initiative and commenced development of Government's next corporate HR strategy. Both of these activities are covered in greater detail in the *Review of 2006-07 Goals and Objectives* section of this report. Additionally, the Division initiated the development and design of a corporate employee survey, which was primarily focused on exploring the nature of employee engagement in the Core Public Service.

As part of the Integrated Disability Management (IDM) initiative, the Division worked with departments to identify and address issues related to disability management. In 2006-07, the Division supported departmental IDM managers with the following:

- The establishment of a community of practice;
- Policy consultations;
- Orientation sessions; and
- Daily consultative services.

Centre for Learning and Development

In 2006-07, the Centre succeeded in the following:

- Providing 265 learning and development workshops to over 3,500 employees;
- Engaging 171 executives and managers in work planning – this was implemented across five departments (Justice, Finance, HCS, PSS, Fisheries and Aquaculture) as part of a pilot project;
- Supporting two departments – Natural Resources and HRLE – that participated in the performance management process;
- Offering over 300 topics for e-learning to a pilot group of 25 individuals;

- Completing the Executive Development model, which focuses on development opportunities for Deputy Ministers, Assistant Deputy Ministers, and other executive employees; and
- Implementing significant revisions to the Leadership and Management Development Strategy.

The Centre was also actively involved with the OCIO in creating technology-based learning and development opportunities for employees. Consulting with the OCIO project team, the Centre developed a training strategy to orient employees on how to use the new Travel Claims and Management System (<http://www.intranet.gov.nl.ca/tcms/support.htm>), as well as the new e-mail and associated network infrastructure delivered from the Infrastructure Renewal/Active Directory project.

The Resource Management Package was also delivered to many departments and agencies – Finance, Government Services, Justice, Government Purchasing Agency, Public Service Commission and Executive Council. The Resource Management Package targets the development of core competencies of all management-level employees by offering a number of professional learning opportunities to eligible participants.

Organizational Management and Design Division

Since the Division was formed in November 2006, it has responded to 33 departmental requests for organizational structure reviews. As a result of these reviews, the Division made recommendations to Treasury Board that have led to the creation of new Branches, Divisions and positions across Government, as well as improvements to various organizational structures. These changes are expected to result in the increased efficiency and effectiveness of programs and services.

The Division also took the lead in conducting a corporate review of administrative support positions and creating a complete inventory of existing positions. The work of this initiative is on-going.

Review of 2006-07 Goals and Objectives

Government recognizes that one of the keys to sustained high performance is in the way people are managed. Strategic HR management is an investment in organizational success and is not just an overhead cost that must be accepted. Effective people management involves creating a positive work environment where employees are valued as individuals and their work is treated as a critical organizational resource.

The skills and activities of public service employees, as well as organizational structures and processes, must be strategically aligned with Government's priorities. Achieving this requires the development of a strategy that ensures HR programs and services are positioned to serve and support Government's stated priorities. Ultimately, the result will be the delivery of exceptional programs and services to the public.

In order to move forward on the strategic directions of Government, the PSS identified two primary strategic issues in 2006-07. The following is a brief description of these issues, their goals and objectives, as well as any progress made in achieving them.

Issue 1 – Strategic alignment of HR capacity with Government's service delivery needs.

Subsequent to the 2002-03 corporate HR strategy, entitled *Creating Tomorrow's Public Service*, Government established the PSS with a mandate to support public service employees and the delivery of public programs and services. As such, the PSS is required to identify, implement and maintain an appropriate balance between meeting employees' needs and ensuring Government has the capacity to achieve its stated priorities.

Goal

By March 31, 2008, the PSS will have updated and expanded Government's HR management strategy and will have begun implementation.

Objective

By March 31, 2007, the PSS has completed a new round of strategic HR planning leading to the development of an expanded HR strategy.

The PSS was successful in achieving its objective, having consulted and collaborated with all Government departments and agencies on the workforce planning initiative. This round of strategic HR planning was driven primarily by an examination of provincial and organizational trends related to population age, out-migration, actual and expected retirements, as well as older and younger worker populations.

Partnership and consultation with the Strategic HR Directors and the Deputy Ministers' Committee for HR supported the development of workforce planning guidelines, which the PSS presented to departmental executives prior to implementation. The PSS offered in-person guidance to departments and agencies by supporting the identification of relevant HR issues and possible strategies that could help solve targeted HR problems based on current policies and resources. In the end, each department and agency developed its own workforce plan. From a corporate perspective, the data collected through this planning process served as the basis for developing an expanded and updated Government HR management strategy.

Measure

- Completed planning process

Indicators

Planned Results

- Consultations with various stakeholders completed
- Research conducted
- Communication plan developed and implemented

Actual Results

- Consultations with various stakeholders completed – departments, agencies, and HR community
- Research conducted
- Communication plan developed and implemented

Objective for 2007-08

By March 31, 2008, the PSS will have developed and expanded the corporate HR strategy and will have begun implementation.

Prior to the end of the 2006-07 fiscal year, the PSS began development of a strategy that will continue the initiatives from *Creating Tomorrow's Public Service* and identify new priorities in strategic HR management. The PSS anticipates it will meet this objective.

Measure 1

HR strategy is updated and expanded.

Indicators 1

- Work Environment Survey results integrated into HR strategy;
- Corporate HR strategy is completed; and
- Communication plan for HR strategy is developed.

Measure 2

HRMS implementation has begun.

Indicators 2

- Guidelines, policies, frameworks and/or resources to support implementation are developed; and
- Reporting schedule and framework developed with Strategic HR Units to allow for regular updates on departmental implementation.

Issue 2 – Achievement of business goals through effective and efficient organizational management and design.

The PSS has acknowledged the impact that organizational structures and processes have on Government's ability to effectively achieve its business goals. With respect to the delivery of programs and services, redesigning how Government operates will result in faster response times and greater diversity in work assignments.

Goal

By March 31, 2008, the PSS will have completed reviews of select organizational structures.

Objective

By March 31, 2007, the PSS will have established a Division to conduct departmental organizational management and design reviews.

In 2006-07, Government agreed that a review of organizational structures was important to the achievement of business goals and objectives. As such, the Organizational Management and Design Division was established and a number of people have been assigned to complete the work of the Division – one Director and four Management and Design Consultants. To date, select organizational reviews have been initiated and a schedule to complete these reviews has been developed.

Measure

- Protocols/processes have been established to conduct organizational management and design reviews

Indicators

Planned Results

- Division has been created
- Resources have been assigned
- Select organizational reviews have been initiated
- Schedule to complete reviews has been developed

Actual Results

- Division has been created
- Resources have been assigned
- Select organizational reviews have been initiated
- Schedule to complete reviews has been developed

Objective for 2007-08

By March 31, 2008, the PSS will have completed reviews of select organizational structures.

To date, the Organizational Management and Design Division has conducted reviews within departments, agencies and several legislative bodies. Business process improvement will continue to be a major function of the Division, which will assist departments in analyzing workflow and aligning resources to achieve business goals and objectives.

Measure

Reviews are conducted and results reported to stakeholders.

Indicators

- Reviews completed;
- Consultation with relevant departmental or agency staff; and
- Development of final report outlining details of review, findings and recommendations.

Opportunities and Challenges

As it continues to make progress in achieving its goals and objectives, the PSS anticipates a number of challenges and opportunities.

Development and Implementation of Corporate HR Management Strategy

The PSS will work closely with departments and agencies as it implements this strategy, which will set the direction for corporate HR initiatives over the next four years. There will be opportunity to lead innovative HR projects, but achieving the goals and objectives of the corporate HR strategy will be a challenge that cannot be met without partnership and cooperation across Government.

Implementation of Workforce Plans

The workforce planning process was intended as a continual process for departments and agencies to integrate with current planning activities (i.e., operational, strategic, financial, etc.). Implementation of these plans poses both a challenge and an opportunity with respect to

communication, alignment of resources, and balancing departmental needs with corporate direction.

Demographic Trends

Long-term projections of Newfoundland and Labrador's population size and age pose a significant challenge to Government that must be addressed immediately. A number of initiatives have been developed, or are in progress, to address the challenges of labour shortages, aging population and retirements, such as Government's Immigration Strategy. The PSS will continue to promote and support workforce planning, in addition to other corporate service initiatives that will focus on the effective use of existing HR.

Strategic HR Management Units

One of the biggest corporate service initiatives that occurred in 2006-07 was the restructuring of the HR professional community into strategic HR units. The PSS intends to work with these units to coordinate efforts that support strategic HR management. Effective change management is necessary for these newly formed structures to perform effectively and there is a tremendous opportunity for Government to become a leader in HR best practices.

Broad Use of Research-based Evidence for Strategic Decision-making

An employee survey is planned for late 2007 and it will include the 19 questionnaire items developed by the Employee Engagement Inter-jurisdictional Initiative Team. Analysis of the collected data will provide a clear indication of what HR issues exist in the organization and an opportunity for the PSS to develop a model of employee engagement in Government. Such efforts will provide focus and priority to HR planning activities and initiatives. However, any recommendations based on research and/or evaluative studies will be implemented within the scope of existing Government policies and resources.

Increasing Employment Opportunities

The Office of Equity and Strategic Initiatives will face the challenge of increasing employment opportunities for persons with disabilities. However, this initiative will also provide an opportunity to gain insight on this segment of the province's workforce, which is critical to creating a successful and diverse organization.

Financial Statements

Expenditure and revenue figures included in this document are based on public information provided in the *Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2007*.

	Actual	Estimates	
		Amended	Original
	\$	\$	\$
PUBLIC SERVICE SECRETARIAT			
<i>CURRENT</i>			
3.1.01. EXECUTIVE SUPPORT			
01. Salaries	371,397	378,200	378,200
02. Employee Benefits	100	300	300
03. Transportation & Communications	7,620	20,000	20,000
04. Supplies	2,102	2,500	2,500
05. Professional Services	41	5,000	5,000
06. Purchased Services	902	5,000	5,000
Total: Executive Support	382,162	411,000	411,000
3.1.02. EMPLOYEE RELATIONS			
01. Salaries	869,388	1,151,900	1,490,900
02. Employee Benefits	3,253	4,000	4,000
03. Transportation & Communications	32,170	78,700	81,200
04. Supplies	15,409	16,300	13,800
05. Professional Services	87,816	600,400	600,400
06. Purchased Services	21,404	50,200	50,200
07. Property, Furnishings & Equipment	5,904	25,000	25,000
Total: Employee Relations	1,035,344	1,926,500	2,265,500
3.1.03. STRATEGIC HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT			
01. Salaries	899,860	1,238,300	1,176,200
02. Employee Benefits	9,547	10,500	4,000
03. Transportation & Communications	38,517	39,000	23,500
04. Supplies	32,181	34,700	20,700
05. Professional Services	-	5,000	5,000
06. Purchased Services	26,842	159,614	69,100
07. Property, Furnishings & Equipment	5,380	6,500	2,500
	1,012,327	1,493,614	1,301,000
02. Revenue - Provincial	(18,200)	-	-
Total: Strategic Human Resource Management and Development	994,127	1,493,614	1,301,000
3.1.04. OPENING DOORS			
01. Salaries	2,627,825	2,854,700	2,854,700
02. Employee Benefits	55	2,000	2,000
03. Transportation & Communications	3,335	12,500	12,500
04. Supplies	1,319	10,000	10,000
05. Professional Services	1,500	15,000	15,000
06. Purchased Services	2,107	6,000	6,000
07. Property, Furnishings & Equipment	3,943	20,000	20,000
	2,640,084	2,920,200	2,920,200
01. Revenue - Federal	(420,000)	(420,000)	(420,000)
Total: Opening Doors	2,220,084	2,500,200	2,500,200

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
	\$	\$	\$
3.1.05. FRENCH LANGUAGE SERVICES			
01. Salaries	482,304	497,500	497,500
02. Employee Benefits	657	1,200	3,000
03. Transportation & Communications	22,274	22,300	20,000
04. Supplies	12,467	15,500	18,000
05. Professional Services	57,771	68,500	70,800
06. Purchased Services	23,576	24,400	23,500
07. Property, Furnishings & Equipment	7,369	7,400	4,000
	<u>606,418</u>	<u>636,800</u>	<u>636,800</u>
01. Revenue - Federal	(440,875)	(461,200)	(461,200)
02. Revenue - Provincial	(55,832)	(60,000)	(60,000)
Total: French Language Services	<u>109,711</u>	<u>115,600</u>	<u>115,600</u>
3.1.06. HUMAN RESOURCE AND POLICY CAPACITY DEVELOPMENT			
01. Salaries	395,111	1,750,600	2,140,000
02. Employee Benefits	93,206	100,000	100,000
03. Transportation & Communications	26,504	100,000	100,000
04. Supplies	46,350	100,000	100,000
05. Professional Services	25,624	50,000	50,000
06. Purchased Services	195,217	512,051	2,633,200
07. Property, Furnishings & Equipment	2,480	15,000	15,000
	<u>784,492</u>	<u>2,627,651</u>	<u>5,138,200</u>
02. Revenue - Provincial	(9,300)	-	-
Total: Human Resource and Policy Capacity Development	<u>775,192</u>	<u>2,627,651</u>	<u>5,138,200</u>
TOTAL: PUBLIC SERVICE SECRETARIAT	<u>5,516,620</u>	<u>9,074,565</u>	<u>11,731,500</u>